

Initial Statement of Reasons
Title 13, Division 1, Chapter 1
Article 3.1 - Specialized License Plates

SUMMARY

The Department of Motor Vehicles (department) proposes to amend Section 160.00 and adopt Sections 160.02, 160.04, 160.06, 160.08, 161.00, 161.02, 161.04, and 161.06 in Article 3.1, Chapter 1, Division 1, Title 13 of the California Code of Regulations, relating to California sponsored license plate programs including Special Interest License Plates, Specialized License Plates, and Commemorative Collegiate License Plates.

I. BACKGROUND AND EXPLANATION OF PROBLEM ADDRESSED

Background Summary:

The department has accepted applications for and developed sponsored plate programs under several different statutory provisions for several decades, beginning with the 1984 Olympic Commemorative Plate. Under Vehicle Code Section 5060, Special Interest License Plates (SILP) have been developed at the request of private entities, and have funded private initiatives to improve California, such as through the Yosemite plate. Legislation in 2006 suspended new SILP programs and instead created the Specialized License Plate (SLP) program sponsored by State agencies pursuant to Article 8.6 in Chapter 1 of Division 3 of the Vehicle Code. Also, public and private colleges can apply for and design a plate to generate scholarship funding for students, under Vehicle Code section 5024. All of these statutory schemes share requirements regarding applying to the department for the program, designing a plate that meets the department and Department of California Highway Patrol's (CHP) requirements, meeting a minimum level of enrollment prior to production of plates in order to ensure popularity adequate to offset the costs of the program long term, limits on the use of funds and rules about reporting the use of funds. They also direct the department to review annual accounting reports if the sponsor receives proceeds from plate sales, and direct the department to suspend plate programs when enrollment falls too low or accounting is not in order. Administrative costs for the programs are to be deducted by the department before transmitting generated funds to designated programs.

Problem Addressed by these Regulations

1. Individualized procedures for each sponsor consume staff resources to advise sponsors at each step in the process.
2. Untimely transfer of applications and fees to the department delays production of plates.
3. Sponsors distributing erroneous information in marketing materials misleads the public.
4. Sponsors obtain personally identifying information from registered owners, and currently there is no requirement to maintain its confidentiality.
5. The submission and acceptance of multiple designs for prototype testing delays program development and consumes resources unnecessarily.

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6. Failed plate programs, that are cancelled due to lack of interest, consume department resources that can never be recovered since no plate sales occur from which administrative costs can be deducted.

These proposals address these problems by establishing a set of general rules and requirements for all sponsors of a plate program. The delay and expense associated with inconsistent requirements will be eliminated, allowing plate programs to generate funds more quickly for designated programs. The public will have clear information about department processes and will receive protection from improper use of their personal information when enrolling in plate programs. The appeal of all plate programs will increase which should contribute to more successful plate programs. The increased efficiency for both the department and the sponsor will generate more funds for the intended program by reducing waste, delay, inconsistency and confusion in the plate development process.

II. NECESSITY OF EACH PROPOSED ADOPTION TO ACCOMPLISH THE STATED PURPOSE

Each proposed section is reasonably necessary to achieve the purpose of maintaining and improving the efficiency and effectiveness of the Special Interest License Plate, Specialized Plate and Commemorative Collegiate Plate programs in order to effectively raise funds for designated programs.

Section 160.00 Definitions

- (a) “Plate program” means a program for a plate that is proposed by an entity outside of the department, approved by the department, and is intended to be available for assignment on a vehicle after an application is submitted by a registered owner.

Necessity: This term is helpful when referencing requirements of the development of a plate that can then be obtained by a registered owner and the proceeds of which benefit a designated program outside of the department.

- (b) “Plate type” means either a sequentially numbered or personalized plate.

Necessity: For efficiency, the department processes these plate types differently, and including the definition here makes the requirement to organize a report by listing the personalized plate orders separately from the sequential plate orders easier to understand. As opposed to thinking type means the colors or backgrounds of the plate.

- (c) “Sponsor” means the entity authorized by the Vehicle Code to apply to the department to create a plate program. A sponsor includes a State agency.

Necessity: This term is used throughout these proposed regulations and this definition adds clarity for those uses. These proposals contain general requirements to be followed by any entity authorized to request a plate program, even though the sponsor may be a state agency,

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a public or private college, or a private entity who continues to have reporting obligations under the SILP statute. One term is used to establish consistent and therefore more efficient procedures.

(d) “Vehicle type” means either an automobile, motorcycle, commercial vehicle or trailer.

Necessity: Taking orders and processing plate requests must be done by vehicle type for efficiency, and these proposed regulations use this term. The Vehicle Code also uses this definition, and it is added here because doing so assists those bound by the regulations in understanding and complying with these requirements.

Section 160.02 Reports

A sponsor who receives generated funds from a plate program and is permitted to use those funds to continue to manage and promote the plate program must account for the use of those funds under Vehicle Code sections 5060 and 5156. This section requires such report to provide the department the sponsor’s administrative costs, in detail, and non-administrative costs, in detail, on June 30th of each calendar year.

Necessity: The department must suspend SILP programs and SLP programs if the sponsor’s administrative costs in marketing further sales and managing the funds exceeds 25% of the funds transferred to the sponsor. To track the expenses, the department must have a detailed report of administrative costs in order to accurately implement its statutory duty to suspend. The details here are necessary to effectively audit the reports and verify compliance with the revenue usage limits in the various Vehicle Code section. The June 30 due date is selected because it results in reports that correspond to state fiscal year periods.

Section 160.04 License Plate Program Sponsor Application

This section sets forth the information a sponsor must submit to the department to initiate a plate program, including the technical specifications for plates, agreeing to indemnify the department for claims arising out of the plate program, a marketing plan and a financial plan.

Subdivision (a) sets forth the technical requirements for a plate design, and requires the use of the License Plate Design Template form which is incorporated by reference. The size, color, background, placement of words, content, and font requirements are listed.

Necessity: Subsection (a)(1) and (2) limits the color of the plate, the size of images and words, and the color of the numbers because these features all contribute to the reflectivity and visibility of the plate. Law enforcement throughout the state require minimum standards that are contained in Senate Resolution 28 (SR 28), Report on Special Interest License Plates, adopted April 10, 2014, Report dated July 2015 co-authored by the department and the CHP (Senate Report 28). This document is a “document relied upon” and is available for review as a public document by contacting the department representative listed in the Notice of Proposed Action.

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Subsection (a)(3) prohibits messages that are incompatible with the department's decency standard in Title 13, C.C.R. section 170.00.

Necessity: this proposal ensures consistency with other existing law. It is likely to help the department avoid having a sponsor enroll potential participants only to have the plate unavailable for issuance under section 170.00. Since mottos are allowed on the plates, typically along the 5" by 3/4" space below the registration number, the motto will not be approved if it violates the existing decency regulation and statute in the department's estimation.

Subsection (a)(4) prohibits the use of unlicensed or improperly licensed copyrighted or trademarked material on a plate.

Necessity: In order to protect the department from lawsuits under federal copyright or trademark law, license agreements must be valid when a plate incorporates trademarked or copyrighted material. The department has incurred expense when licensing agreements were inadequate prior to approval of a plate program. Based on this experience, the department determines it is necessary to require valid licensing agreements for all images that do not originate with the sponsor.

Subsection (a)(5) contains the statutory design requirement of Vehicle Code section 4851 that requires the word "California" or "Cal" atop the plate and a place for a validity sticker bearing the year number.

Necessity: Listing this statutory requirement in these regulations assists sponsors because it simplifies license plate design criteria for new sponsors so they can more easily avoid submitting a design that does not comply with all of the requirements in the Vehicle Code.

Subsection (a)(6) imposes the visibility standards contained in Senate Report 28.

Necessity: The department is not the technical expert on plate visibility, as that is a law enforcement function. Instead the department relies on the standards in the report prepared by the law enforcement agency. These standards arise from the CHP study and represent minimum safety standards. Even a specialized plate for fundraising purposes must primarily identify the vehicle for law enforcement purposes. The plate must be readable by people and automated plate readers as would be a standard plate.

Subsection (a)(7) contains the requirement that the government speech on the plate be suitable in the estimation of the department given the scope of the message described in the implementing statute.

Necessity: Since all plate messages are government speech, and a plate is not a forum for private speech, a government entity makes the final determination regarding the speech on a plate pursuant to *Walker v Texas*, 135 S. Ct. 2239 (2015). Many plate-creating statutes describe in general terms the message to be placed on the plate, such as the domestic violence and sexual assault awareness license plate in Vehicle Code section 5156.5. The department will determine ultimately that the proposed message satisfies the Vehicle Code prior to producing the plates. Some plate-describing statutes, such as the breast cancer awareness plate in Vehicle Code section

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5156.7, provide the exact message for the plate, and neither the department nor the sponsoring agency can alter the required message. For these statutes and plates, the department will enforce the legislative directive and only approve plates bearing the exact message required by statute. In the event a state agency sponsor under 5156 proposes a plate without a specific statute directing it to do so, the department, in this regulation, retains the authority to decline to approve the plate if the message is not suitable as government speech. Since the department is required by statute to produce such a plate, the department interprets its role as including the ability to finally determine, consistent with legislative direction, the content of each plate.

Subsection (b) requires the sponsor to waive any claims against the department and to indemnify the department for any claims that might result from the plate program.

Necessity: The department has required comparable language in prior plate program applications and concludes it adequately preserves department resources in the event of a dispute arising out of the plate programs. Similar indemnification regulations occur in the California Code of Regulations to protect government resources when entering into contracts with other entities, and this requirement is consistent with those provisions.

Subsection (c) requires departmental pre-approval of all marketing material before a sponsor may use the materials.

Necessity: This requirement assures sponsors distribute accurate information about how to reserve or obtain a sponsored license plate. In the past, plate program sponsors have included erroneous information about the department's procedures regarding plates, and have obtained incomplete information from potential participants because the enrollment form was incomplete. Correcting all of these errors in marketing materials consumes department resources that cannot be recovered if the plate program fails to meet the minimum participant volume. This regulation helps minimize the staff resources required of the department, as it takes more resources to track down and correct incorrect information than to review marketing materials before they are distributed. Also, sponsors will avoid investing in the purchase of marketing materials that cannot be used. Also, the accurate materials will be used for the entire enrollment period, thereby maximizing the time allotted to enrolling enthusiastic participants and making it more likely that a plate program will succeed.

Subsection (d) requires a financial plan be submitted to the department prior to soliciting potential participant enrollments.

Necessity: The existing statutory plate programs limit the use of plate program funds, and place the auditing burden on the department. To fulfill this role, the department must be informed about how the funds will be used, including program, licensing, and administrative expenses.

Section 160.06 Limits on Marketing Activity and Changes to Plate Design

Subsection (a) prohibits any marketing activity until the department approves the plate program application in writing, and limits marketing materials to only those approved by the department.

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Necessity: Providing a clear start date for marketing the plate program, after the marketing plan has been approved by the department, provides the maximum opportunity for a sponsor to successfully enroll the minimum number of potential participants needed to launch the plate program and raise funds. Prohibiting any marketing until the official start date ensures compliance with the rules. This proposed requirement eliminates confusion about whether a start date began with the first use of a marketing document or not. The purchasing public is protected by ensuring only accurate and department-approved marketing of plates occurs.

Subsection (b) clarifies that the department will not pay for any marketing materials.

Necessity: This rule preserves the cost-neutrality of the sponsored plate statutes, and ensures department resources used prior to the full enrollment being obtained by the sponsor are minimized. This also reduces the deductible administrative costs once the plate is successful. Since section 161.00 requires both a marketing and financial plan be submitted to the department, this rule further ensures that sponsors develop well-crafted marketing plans, and dedicate their own marketing resources to obtain the necessary level of participation prior to approval of the plate program. The department's role during this time must remain minimal to reduce or eliminate any negative financial impact, on the department, as a result of sponsors attempting to adopt a plate program.

Subsection (c) limits plate redesigns to the rules proposed in section 161.04.

Necessity: Sponsored plates have been redesigned in the past by the department after plate programs were in production, but only to address copyright and design problems not properly addressed in the pre-marketing phase. These regulations implement requirements that will eliminate those problems, thus reducing or eliminating the need to redesign a plate. Redesigning a plate increases departmental administrative costs and thus reduces the revenue available for the sponsor's program. This rule makes clear that once the plate design is approved, the plate development and design phase is concluded.

Section 161.00 Enrollment of Potential Participants

This section describes how a sponsor must enroll potential participants and conduct itself during the enrollment period.

Subsection (a)(1) requires the enrollee to identify the plate type and limits personalized plate enrollments when a donor pays the fee to a maximum of six plates.

Necessity: The type of plate must be obtained from the participant in order for the department to process the plate application. As seen in the chart below, processing personalized plates consumes significantly more time than sequential plates. This increased administrative cost is charged back to the program prior to the program receiving funds from plate sales. To implement the statutory purpose of generating revenue for programs, the department has concluded that a reasonable way to reduce administrative cost is to limit the number of donated personalized plates. The department believes that six is adequate to allow for gift plates and also small enough to eliminate large scale donors from facilitating many personalized plate applications that significantly slow plate implementation, and greatly increase administrative

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costs. For programs where there was not a large volume donor, the number of personalized plates have been smaller and do not significantly affect the administrative burden on the department.

	Cost per Transaction	Time per Transaction
Issuing Donated Personalized Plates	\$10.50	29.29 minutes
Issuing Donated Sequential Plates	\$2.29	7.15 minutes
Refunding Donated Personalized Plates	\$4.62	13 minutes
Refunding Donated Sequential Plates	\$1.60	5 minutes

The averages above were generated using CalAg SILP statistics.

Subsection (a)(2) requires fees for the plate program be collected by the sponsor. The fee to place a potential participant's existing personalized plate number on a new program plate is the same as an initial personalized number on a new plate. No other fees may be collected by the sponsor.

Necessity: A fee for each application must be transmitted to the department after an adequate number of potential participants have been enrolled. Vehicle Code section 5156 (b) implies the sponsor must collect and hold the fees for transmission to the department. The proposed rule is necessary to make specific the implied requirement in statute. Also, the department interprets Vehicle Code section 5157, which uses the term "original" to set the fee for any new order of a plate. The Vehicle Code does not account for the situation wherein a person already has a personalized registration number and wishes to use it for a new plate. The department is authorized to collect original application fees, and construes this type to be an original. Last, prohibiting a sponsor from collecting any additional money from a potential participant protects the enrolling public from paying any more than the statutory amount.

Subsection (a)(3) requires the potential participant's personal information, including name, address, phone number and e-mail, and vehicle information, including VIN number, plate number, address to which the vehicle is registered, and vehicle type.

Necessity: All of these informational items are required to register the vehicle and to communicate with the potential participant during the department's review and processing of each application.

Subsection (a)(4) requires the participant to identify a field office for plate pick-up.

Necessity: The Vehicle Code requires each plate to be placed only on the assigned vehicle. When new plates are assigned, the existing plate must be returned to the department. In-person pick up at the designated office allows for the retrieval of the prior plate, and ensures the person who ordered the plate receives it.

Subsection (a)(5) clarifies that the requirements in 170.00 regarding requesting personalized plates shall be met by the potential participants. Specifically, three plate configurations and the intended meaning of each must be submitted on the application. The section also clarifies that requesting a configuration is not a guarantee of getting the configuration.

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Necessity: Personalized plate requests will be reviewed by staff after the applications and fees are transmitted to the department, which can be up to 24 months after the participant enrolled in the potential plate program with the sponsor. This rule clarifies that any request is subject to the availability at the time the application is reviewed.

Subsection (a)(6) requires a fee donor to provide his or her name and address along with the application. Also, if the fee donor pays for more than six participants, the participants may only request sequential plates.

Necessity: The department has allowed donors to provide fees in the past, but encountered resource problems when many plates were personalized, and when the identity of the donor was unclear. Refunds are in order when a participant's application cannot be fully processed, as occurs when a requested personalized plate configuration cannot be issued. Administrative costs are consumed locating donors, and effective means of identifying the donors decreases this administrative cost. Decreasing administrative costs increases the funds available to the program. Requiring a name and address of the donor alleviates this expense.

Subsection (b) clarifies that collecting all of the information in subdivision (c) will count as one application.

Necessity: An application without all of this information will not be counted toward the statutory minimum to qualify a plate program because the department cannot process it to completion. Clarifying this requirement allows the sponsor to ensure its marketing and enrollment efforts will achieve the number needed for a successful program.

Subsection (c) requires monthly reports be submitted to the department by the sponsor during the enrollment period.

Necessity: The department must stay informed about the progress of enrollment to prepare for the receipt of a qualifying number of applications. Plate program development is the subject of concern to the general public and the media. Monthly reporting allows the department to provide a real-time snapshot of the progress of all developing plates.

Subsection (d) requires the sponsor to maintain the confidentiality of and to protect from disclosure the personally identifying information a sponsor collects from potential participants.

Necessity: Privacy laws and the Vehicle Code require personally identifying information be maintained by the department as confidential information. The department has determined that vehicle registration information required to obtain a different plate on a registered vehicle is department confidential information, and adopts this rule to maintain that classification even when the information is retained for a period of time by a sponsor, and not the department. The information is intended to ultimately be submitted to the department as an application, and while it is held by the sponsor it must retain its confidential character. Extending this privacy protection to the information encourages participation by registered owners into nascent plate programs, making them more attractive to these potential participants. This better achieves the

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legislative purpose of implementing these programs to raise particular funds for worthy government programs.

Subsection (e) requires a sponsor to return any fees to a plate donor in the event the participant cancels an application prior to the enrollment period concluding.

Necessity: The department has refunded enrollment fees for plate programs when the review of an application requires contact with a potential participant, and that person indicates they no longer wish to receive the plate. Since the department allows this refund after the enrollment period, allowing enrolled participants to obtain a refund before the enrollment period concludes provides the same refund right to all potential participants. Also, by dis-enrolling, the participant's application does not need to be reviewed by the department, thereby saving administrative costs. By clarifying the refundable nature of the enrollment, this regulation will promote more participation in plate programs.

Section 161.02 Approval of Sponsored Plate Program

Subsection (a) requires the sponsor to notify the department in writing when the number of enrolled potential participants reaches the statutory minimum level.

Necessity: The writing requirement ensures there is no confusion between the department and the sponsor regarding when the threshold level is achieved. Written notice increases efficiencies and decreases administrative costs associated with obtaining this information from a sponsor.

Subsection (b) requires a sponsor to deliver, within 60 days following expiration of the enrollment period, all applications, a summary report of the applications, and the fees to the department. The fees must be transferred as either an Electronic Funds transfer or a check.

Necessity: The report delivery ensures the applications are sorted to allow for batch processing when fees are donated, and reduces administrative costs associated with sorting 7500 applications. The pre-sorted report allows the department to determine needed staffing levels in order to expedite the processing. Review of applications takes between 3 and 6 months, and occurs while the department is implementing computer programming needed to issue the new plate. Delays in the application processing delays issuance of the plates. Also, the proposed regulation assists sponsors preparing for the work of providing information and fees to the department when the enrollment threshold is reached.

Subsection (c) delays approval of a plate program until the department can verify the number of potential participants claimed by the sponsor are accounted for. The Vehicle Code prohibits the department from issuing sponsored plates until the threshold is reached.

Necessity: It is necessary to clarify that submission of the applications does not qualify a plate program for production. Only the department's verification will qualify a plate program. If the majority of the applications collected by a sponsor are incomplete, for example, the department would not be able to complete the processing of those applications. Refunds would deplete the source of funds designated in the statutory scheme to cover the cost of programming by the

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department to facilitate issuance of the plate. To enforce the requirement to obtain complete applications from potential participants, this final approval regulation is required.

Subsection (d) requires the department to return fees to a sponsor when an application cannot be processed and the fee was paid by a donor. The sponsor is required to return the fee to the participant or donor.

Necessity: The expense in staff time consumed when a fee for a personalized plate is returned to a sponsor is more than two times the staff time required when the fee is refunded for a sequential plate. When the personalized plate is paid by a donor, staff must locate the donor and generate a separate check. Departmental programming in the accounting system cannot automate this process currently, and each such refund requires special handling. By remitting funds to the sponsor and requiring the sponsor to issue refunds, administrative costs are reduced, which generates more revenue for the designated program the plate revenue supports.

Subsection (e) prohibits refunds for orders taken for a sponsored program once the plate is being produced and programming by the department is complete.

Necessity: After programming is completed and the plates are being produced, the process for obtaining the plate is the same as for any other existing special interest, specialized, or department created non-standard plate. An application is submitted directly through a field office, and for those, refunds are not available. This is because in the field office, all of the information that is needed to process a plate application can be verified, and there are no submissions of incomplete applications, as occurs when a sponsor has collected an application many months prior to the creation and production of the plate.

Section 161.04 Redesign of an Approved Plate Program

Subsections (a) through (c) permit redesigning a plate after it is put into production if all of the requirements for an original plate design are met. Registered owners with the existing plate may retain them, but duplicate replacement plates cannot be issued once the design is changed. Redesign is required if a licensing agreement is not renewed prior to 180-days before the license expires if the license is not renewed.

Necessity: Several plates have needed to be redesigned in the past, for copyright and for marketing reasons. As long as the plate is still suitable under these rules after redesign, doing so will not result in the termination of the plate program. Redesign increases administrative costs to the sponsor, but as long as department cost neutrality is maintained, the department will accept redesigns. Also, since the department cannot issue plates without a valid licensing agreement when copyright or trademark rights are involved, if the plate contains licensed material, redesign will be required if the license expires. Since it takes 180 days to reprogram the department system to change a plate design, the redesign must be submitted to the department 180 days prior to the expiration of any licensing agreement.

Section 161.06 Commemorative Collegiate License Plate Program

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Subsection (a) requires sponsoring colleges to adhere to prior sections 160.02 through 161.06 except as stated in the remainder of this section.

Necessity: to make clear to colleges that want to sponsor a plate that the Commemorative Collegiate License Plate Program must follow the majority of the rules set forth in these proposed regulations.

Subsection (1) requires private post-secondary schools to provide documentation to the department verifying accreditation and eligibility to receive funds for California college students from the scholarship program funded by plate proceeds.

Necessity: Unaccredited colleges may not sponsor plates and so the department must verify the qualifications of the sponsor college. Also, the applicant college is required to maintain a California campus, and must enroll students who are eligible for scholarships from the funds receiving the proceeds of the plate program. These requirements assure generated funds are used to support California students which is the apparent intent of section 5024 of the Vehicle Code.

Subsection (2) exempts the college sponsor from the copyright license rule and the requirement to submit a financial plan for the funded program.

Necessity: The design is limited by statute to the college's name, own mascot, logo or motto and only allows those types of designs that are also approved by the department. For this reason, the requirements in Section 160.04(a)(4) regarding copyright are not necessary. Also, subsection (d) of Section 160.40 is not required for college sponsors because the financial plan is unnecessary. The college plate funds college scholarships through funds not delivered directly back to the sponsor. Since the sponsors do not receive the funds directly, the statute does not contain a limitation on ongoing administrative expenses to be monitored by the department. Since the department has no duty to monitor these activities, a financial plan is not required.

Subsection (3) limits the college sponsor's design choices to mottos, logos, symbols or other designs already in use by the sponsor.

Necessity: Since the department has the final authority to approve a collegiate design, this regulation clarifies the standard the department will use to grant or deny final approval. The purpose of Vehicle Code section 5024 is to market the college mascot or logo and to raise scholarship funds from fans and supporters of California colleges. Prohibiting commercial or other designs, and limiting the design to the school's familiar images and phrases, furthers this legislative purpose.

I. ECONOMIC IMPACTS OF PROPOSED REGULATION

Economic Impact Assessment (Government Code section 11346.3):

The department has made the following determinations when assessing the economic impact associated with this proposed regulation:

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- **The Creation or Elimination of Jobs within the State of California:** The proposed action establishes procedures for specialized and collegiate plate sponsors to follow when seeking approval from the department to launch a plate program to fund designated programs. Because the proposal only imposes requirements on government entities who seek to raise funds, the department does not anticipate any impact on the creation or elimination of jobs within California.
- **The Creation of New Businesses or the Elimination of Existing Businesses within the State of California:** The department does not anticipate that these proposed regulations will not create new businesses or eliminate existing businesses in the State of California.
- **The Expansion of Businesses Currently Doing Business within the State of California:** These proposed regulations are not anticipated to expand businesses within the State of California.
- **Benefits of the Regulations to the Health and Welfare of California Residents, Worker Safety, and the State's Environment:** This proposed action may benefit the health and safety of California residents by providing an efficient process to allow state agencies and colleges to generate revenue for programs funded by revenue generated from license plates.

Additional Economic and Fiscal Impact Determinations:

The department has made the following additional determinations regarding economic and fiscal impacts associated with this proposed regulation:

- **Cost or savings to any state agency:** None.
- **Other nondiscretionary cost or savings imposed on local agencies:** None.
- **Cost or Savings in Federal Funding to the State:** None.
- **Cost Impact on a Representative Private Person or Business:** The department is not aware of any cost impact a representative private person or business would necessarily incur in reasonable compliance with the proposed action.
- **Effect on Housing Costs:** None.
- **Local Agency/School Districts Mandate:** The proposed regulation action will not impose a mandate on local agencies or school districts, or a mandate that requires reimbursement pursuant to Part 7 (commencing with section 17500) of Division 4 of the Government Code.
- **Small Business Impact:** This proposed action is unlikely to impact small businesses.

IV. DEPARTMENTAL DETERMINATIONS

- **Technical, Theoretical and/or Empirical Studies, Reports or Documents:** Senate Resolution 28, Report on Special Interest License Plates, Adopted April 10, 2014, Report dated July 2015.
- **Benefits Anticipated from this Regulatory Action:** The benefits derived from these proposed requirements are increased efficiency in development and implementation of specialized and collegiate plate programs. By reducing uncertainty in the process, revenue sought by various statutory plate schemes can be generated more efficiently.
- **Reasonable Alternatives, Including Any That Would Lessen Adverse Impact on Small Business:** No alternatives were considered or presented, including any that would lessen any adverse impact on small businesses.
- **Alternatives Considered:** No alternatives were considered that were less burdensome and equally effective at achieving these purposes.
- **Comparable Federal and State Regulations:** There are no comparable federal or state regulations. Only the department is authorized to implement sponsored specialized and collegiate license plate programs.
- **Evidence Supporting Determination of No Significant Adverse Economic Impact on Business:** The proposals do not require payment from any person or entity, nor do they divert funds from any other program. The plate programs are self-funded in that administrative costs incurred by the department are deducted from fees paid by participants who wish to obtain a plate, and sponsoring agencies may recover their administrative costs from generated funds as well.